

**Senate Bill 552
(Wolk)**

**Public water systems:
Disadvantaged communities:
consolidation or extension of
service as amended July 7, 2015**

Attachment 6



SB 552 (Wolk D) Public water systems: disadvantaged communities: consolidation or extension of service.

Status

7/9/2015 - Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

Calendar:

7/14/2015 Anticipated Hearing ASSEMBLY RLS., Not in daily file.

Summary

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems, and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. The act authorizes the state board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. Existing law, for these purposes, defines "disadvantaged community" to mean a disadvantaged community that is in an unincorporated area or is served by a mutual water company. This bill would allow a community to be a "disadvantaged community" if the community is in a mobilehome park even if it is not in an unincorporated area or served by a mutual water company. The bill would limit the authority of the state board to order consolidation or extension of service only with regard to a disadvantaged community. This bill contains other related provisions and other existing laws. (Based on text date 7/7/2015)

Bill Text

07/07/2015 Amended [html](#) [pdf](#) [atl](#)

04/16/2015 Amended [html](#) [pdf](#) [atl](#)

02/26/2015 Introduced [html](#) [pdf](#) [atl](#)

Analyses

05/31/2015 [SEN FLR - SENATE RULES COMMITTEE](#)

05/11/2015 [S - APPROPRIATIONS](#)

04/27/2015 [S - ENVIRONMENTAL QUALITY](#)

Votes

06/01/2015 [SEN. FLOOR - \(Y: 31 N: 5 A: 4\) \(P\)](#)

05/28/2015 [SEN. APPR. - \(Y: 5 N: 0 A: 2\) \(P\)](#)

05/11/2015 [SEN. APPR. - \(Y: 7 N: 0 A: 0\) \(P\)](#)

04/29/2015 [SEN. E.Q. - \(Y: 6 N: 0 A: 1\) \(P\)](#)

History

07/09/2015 July 9 Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

07/07/2015 July 7 From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.S. & T.M.

06/18/2015 June 18 Referred to Com. on E.S. & T.M.

06/02/2015 June 2 In Assembly. Read first time. Held at Desk.

06/01/2015 June 1 Read third time. Passed. (Ayes 31. Noes 5. Page 1205.) Ordered to the Assembly.

05/28/2015 May 28 From committee: Do pass. (Ayes 5. Noes 0. Page 1156.) (May 28). Read second time. Ordered to third reading.

05/23/2015 May 23 Set for hearing May 28.

05/11/2015 May 11 May 11 hearing: Placed on APPR. suspense file.

05/05/2015 May 5 Set for hearing May 11.

04/30/2015 Apr. 30 From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0. Page 858.) (April 29). Re-referred to Com. on APPR.

04/16/2015 Apr. 16 From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.

04/15/2015 Apr. 15 Set for hearing April 29.

04/07/2015 Apr. 7 April 15 set for first hearing canceled at the request of author.

03/17/2015 Mar. 17 Set for hearing April 15.

03/12/2015 Mar. 12 Referred to Com. on E.Q.

02/27/2015 Feb. 27 From printer. May be acted upon on or after March 29.

02/26/2015 Feb. 26 Introduced. Read first time. To Com. on RLS. for assignment. To print.

7/13/2015 10:10:00 AM



California
LEGISLATIVE INFORMATION

SB-552 Public water systems: disadvantaged communities: consolidation or extension of service. (2015-2016)

AMENDED IN ASSEMBLY JULY 07, 2015

AMENDED IN SENATE APRIL 16, 2015

CALIFORNIA LEGISLATURE— 2015–2016 REGULAR SESSION

SENATE BILL

No. 552

Introduced by Senator Wolk

February 26, 2015

An act to add Section 116325.5 to amend Sections 116681 and 116682 of the Health and Safety Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 552, as amended, Wolk. Public water systems: disadvantaged communities: ~~drinking water standards, consolidation or extension of service.~~

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems, and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. The act authorizes the state board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. Existing law, for these purposes, defines "disadvantaged community" to mean a disadvantaged community that is in an unincorporated area or is served by a mutual water company.

This bill would allow a community to be a "disadvantaged community" if the community is in a mobilehome park even if it is not in an unincorporated area or served by a mutual water company. The bill would limit the authority of the state board to order consolidation or extension of service only with regard to a disadvantaged community.

The act requires the state board, before ordering consolidation or extension of service, to hold at least one initial public meeting, as specified, and to obtain written consent from any domestic well owner for consolidation or extension of service. The act provides that any affected resident within the consolidation or extended service area who does not provide written consent is ineligible, until consent is provided, for any future water-related grant funding from the state, except as specified.

This bill would provide that an initial public meeting is not required for a potentially subsumed area that is served only by domestic wells. The bill would require any domestic well owner, instead of an affected resident,

within the consolidation or extended service area who does not provide written consent to be ineligible for future water-related grant funding from the state.

The act requires the state board, upon ordering the consolidation or extension of service, to adequately compensate the owners of a privately owned subsumed water system for the fair market value of the system as determined by the Public Utilities Commission for water corporations subject to the commission's jurisdiction or the state board for all other systems. The act prohibits a consolidated water system from increasing charges on existing customers of the receiving water system solely as a consequence of the consolidation or extension of service unless the customer receives a corresponding benefit.

This bill would instead authorize the Public Utilities Commission or the state board to determine the fair market value, without regard to whether the system is a water corporation subject to the commission's jurisdiction. The bill would prohibit fees or charges imposed on a customer of a subsumed water system from exceeding the cost of consolidating the water system or the extension of service to the area.

~~Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adoption of enforcement regulations, and conducting studies and investigations to assess the quality of water in domestic water supplies. Existing law requires the state board to ensure that all public water systems are operated in compliance with the act.~~

~~This bill would require, by January 1, 2017, the state board to develop a report identifying specific funding and enforcement mechanisms necessary to ensure disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. The bill would require the report to identify specific legislative and administrative actions necessary to bring disadvantaged communities into compliance with safe drinking water standards.~~

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *Section 116681 of the Health and Safety Code is amended to read:*

116681. The following definitions shall apply to this section and Sections 116682 and 116684:

- (a) "Adequate supply" means sufficient water to meet residents' health and safety needs.
- (b) "Affected residence" means a residence *within a disadvantaged community that is* reliant on a water supply that is either inadequate or unsafe.
- (c) "Consistently fails" means a failure to provide an adequate supply of safe drinking water.
- (d) "Consolidated water system" means the public water system resulting from the consolidation of a public water system with another public water system, state small water system, or affected residences not served by a public water system.
- (e) "Consolidation" means joining two or more public water systems, state small water systems, or affected residences not served by a public water system, into a single public water system.
- (f) "Disadvantaged community" means a disadvantaged community, as defined in Section 79505.5 of the Water Code, that is in an unincorporated-area *area*, *mobilehome park*, or is served by a mutual water company.
- (g) "Extension of service" means the provision of service through any physical or operational infrastructure arrangement other than consolidation.
- (h) "Receiving water system" means the public water system that provides service to a subsumed water system through consolidation or extension of service.
- (i) "Safe drinking water" means water that meets all primary and secondary drinking water standards.
- (j) "Subsumed water system" means the public water system, state small water system, or affected residences not served by a public water system consolidated into or receiving service from the receiving water system.

SEC. 2. *Section 116682 of the Health and Safety Code is amended to read:*

116682. (a) Where a public water~~system~~, ~~system~~ or a state small water system within a disadvantaged ~~community~~, ~~community~~ consistently fails to provide an adequate supply of safe drinking water, the State Water Resources Control Board may order consolidation with a receiving water system as provided in this section and Section 116684. The consolidation may be physical or operational. The State Water Resources Control Board may also order the extension of service to an area *within a disadvantaged community* that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. The State Water Resources Control Board may set timelines and performance measures to facilitate completion of consolidation.

(b) ~~Prior to~~ *Before* ordering consolidation or extension of service as provided in this section, the State Water Resources Control Board shall do all of the following:

(1) Encourage voluntary consolidation or extension of service.

(2) Consider other enforcement remedies specified in this article.

(3) Consult with, and fully consider input from, the relevant local agency formation commission regarding the provision of water service in the affected area, the recommendations for improving service in a municipal service review, and any other relevant information.

(4) Consult with, and fully consider input from, the Public Utilities Commission when the consolidation would involve a water corporation subject to the commission's jurisdiction.

(5) Consult with, and fully consider input from, the local government with land use planning authority over the affected area, particularly regarding any information in the general plan required by Section 65302.10 of the Government Code.

(6) Notify the potentially receiving water system and the potentially subsumed water system, if any, and establish a reasonable deadline of no less than six months, unless a shorter period is justified, for the potentially receiving water system and the potentially subsumed water system, if any, to negotiate consolidation or another means of providing an adequate supply of safe drinking water.

(A) During this period, the State Water Resources Control Board shall provide technical assistance and work with the potentially receiving water system and the potentially subsumed water system to develop a financing package that benefits both the receiving water system and the subsumed water system.

(B) Upon a showing of good cause, the deadline may be extended by the State Water Resources Control Board at the request of the potentially receiving water system, potentially subsumed water system, or the local agency formation commission with jurisdiction over the potentially subsumed water system.

(7) Obtain written consent from any domestic well owner for consolidation or extension of service. Any ~~affected resident~~ *domestic well owner* within the consolidation or extended service area who does not provide written consent shall be ineligible, until the consent is provided, for any future water-related grant funding from the state other than funding to mitigate a well failure, disaster, or other emergency.

(8) (A) Hold at least one public meeting at the initiation of this process in a place as close as feasible to the affected areas. The State Water Resources Control Board shall make reasonable efforts to provide a 30-day notice of the meeting to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and all affected local government agencies and drinking water service providers. The meeting shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property owners, and the potentially receiving water system an opportunity to present testimony. The meeting shall provide an opportunity for public comment.

(B) *An initial public meeting shall not be required for a potentially subsumed area that is served only by domestic wells.*

(c) Upon expiration of the deadline set by the State Water Resources Control Board pursuant to paragraph (6) of subdivision (b), the State Water Resources Control Board shall do the following:

(1) Consult with the potentially receiving water system and the potentially subsumed water system, if any.

(2) Conduct a public hearing, in a location as close as feasible to the affected communities.

(A) The State Water Resources Control Board shall make reasonable efforts to provide a 30-day notice of the hearing to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and to all affected local government agencies and drinking water service providers.

(B) The hearing shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property owners, and the potentially receiving water system an opportunity to present testimony.

(C) The hearing shall provide an opportunity for public comment.

(d) ~~Prior to~~ *Before* ordering consolidation or extension of service, the State Water Resources Control Board shall find all of the following:

(1) The potentially subsumed water system has consistently failed to provide an adequate supply of safe drinking water.

(2) All reasonable efforts to negotiate consolidation or extension of service were made.

(3) Consolidation of the receiving water system and subsumed water system or extension of service is appropriate and technically and economically feasible.

(4) There is no pending local agency formation commission process that is likely to resolve the problem in a reasonable amount of time.

(5) Concerns regarding water rights and water contracts of the subsumed and receiving water systems have been adequately addressed.

(6) Consolidation or extension of service is the most effective and cost-effective means to provide an adequate supply of safe drinking water.

(7) The capacity of the proposed interconnection needed to accomplish the consolidation is limited to serving the current customers of the subsumed water system.

(e) Upon ordering consolidation or extension of service, the State Water Resources Control Board shall do all of the following:

(1) As necessary and appropriate, make funds available, upon appropriation by the Legislature, to the receiving water system for the costs of completing the consolidation or extension of service, including, but not limited to, replacing any capacity lost as a result of the consolidation or extension of service, providing additional capacity needed as a result of the consolidation or extension of service, and legal fees. Funding pursuant to this paragraph is available for the general purpose of providing financial assistance for the infrastructure needed for the consolidation or extension of service and does not need to be specific to each individual consolidation project. The State Water Resources Control Board shall provide appropriate financial assistance for the infrastructure needed for the consolidation or extension of service. The State Water Resources Control Board's existing financial assistance guidelines and policies shall be the basis for the financial assistance.

(2) Ensure payment of standard local agency formation commission fees caused by State Water Resources Control Board-ordered consolidation or extension of service.

(3) Adequately compensate the owners of a privately owned subsumed water system for the fair market value of the system as determined by the Public Utilities Commission ~~for water corporations subject to the commission's jurisdiction~~ or the State Water Resources Control Board ~~for all other water systems.~~ *Board.*

(4) Coordinate with the appropriate local agency formation commission and other relevant local agencies to facilitate the change of organization or reorganization.

(f) (1) For the purposes of this section, the consolidated water system shall not increase charges on existing customers of the receiving water system solely as a consequence of the consolidation or extension of service unless the customers receive a corresponding benefit.

(2) *For purposes of this section, fees or charges imposed on a customer of a subsumed water system shall not exceed the cost of consolidating the water system with a receiving system or the extension of service to the area.*

(g) Division 3 (commencing with Section 56000) of Title 5 of the Government Code shall not apply to the consolidation or extension of service required pursuant to this section.

~~SECTION 1. The Legislature finds and declares all of the following:~~

~~(a) An estimated 500 public water systems in disadvantaged communities rely on, and have to pay high rates for, sources of drinking water that do not meet state and federal safe drinking water standards.~~

~~(b) Although funding sources are available to assist disadvantaged communities with needed capital improvements, these communities often lack governance infrastructure, technical expertise, and the ability to pay for the ongoing operations and maintenance costs necessary to continue to meet the state and federal drinking water standards.~~

~~SEC. 2. Section 116325.5 is added to the Health and Safety Code, to read:~~

~~116325.5. (a) On or before January 1, 2017, the State Water Resources Control Board shall develop a report identifying specific funding and enforcement mechanisms necessary to ensure disadvantaged communities have water systems that are in compliance with state and federal drinking water standards.~~

~~(b) The report shall identify specific legislative and administrative actions necessary to bring the disadvantaged communities into compliance with safe drinking water standards, including the following:~~

~~(1) Mechanisms for identification of the specific issues and solutions for each community and any specific state or local authority that is necessary to address these issues.~~

~~(2) Identification of available, and any recommended new, sources of revenue to fund ongoing operations and maintenance costs or any other costs associated with providing water at an affordable rate.~~

~~(3) Other recommendations for specific actions or authorities necessary to address drinking water needs for these communities.~~